

## **Recover Colorado Business Grant and Loan Program Frequently Asked Questions - Updated April 9, 2014**

*Note: the following summary is based on information available on April 9, 2014. Details of the program are subject to change until final approval by HUD. Please check the Colorado Department of Local Affairs website for the latest information: <http://dola.colorado.gov/cdbg-dr/>*

### **What is the Recover Colorado Business Grant and Loan Program?**

The State of Colorado announced that additional funds will be available to small businesses (including rental property owners) and non-profit organizations affected by the September 2013 flooding through the Community Development Block Grant-Disaster Recovery (CDBG-DR) program. These Recover Colorado grants and loans will be awarded on a first come, first served basis. Applications will be filed online.

Eighty percent of the funds will be used to assist Boulder, Weld, and Larimer counties. Fifty percent or more of the funds must be used to assist low and moderate income businesses and individuals.

### **What is the maximum amount of grant or loan funding that I can I receive?**

Eligible businesses and non-profit organizations may receive:

- Grants of up to \$10,000 (\$25,000 for entities with multiple flood impacted locations)
- Loans of up to \$50,000 with highly favorable terms

*Not all businesses and non-profits will qualify for the maximum grant and loan amounts listed above.*

### **How will funds be disbursed?**

Grants will be reimbursement-based and require proof of business expenditures made after September 12, 2013. Proceeds from the grant can be used for any legitimate business expense (e.g., inventory, working capital, payroll, insurance, equipment purchases, etc.) **except** building repairs, deconstruction or reconstruction.

Loan proceeds can be used as working capital to cover operating expenses of the business and will not require receipts for reimbursement.

## **ELIGIBILITY REQUIREMENTS**

### **How do I know if my business or non-profit is eligible to apply for a grant?**

Applicants must meet the following requirements to be eligible for a grant:

- At least \$10,000 in uncompensated economic loss after filing a claim to insurance company and applying to the Small Business Administration (SBA) for disaster recovery physical damage or Economic Injury Disaster Loan (EIDL)
- In existence on September 12, 2013
- Located within a disaster declared area (including Boulder County)
- In good standing to do business in Colorado with the Secretary of State
- Projected annual revenue of at least \$25,000
- Less than \$1 million in liquid assets
- Profitable before the floods occurred
- Businesses must meet the definition of small business as defined by SBA: <http://sba.gov/content/table-small-business-size-standards>
- Non-profits must have lost at least 30% of their potential revenue stream (caused by reductions in funding flows, lost inventory, damaged equipment or other loss factors)
- Additional requirements may apply

### **How do I know if my business is eligible to apply for a loan?**

Applicants must meet the following requirements to be eligible for a loan:

- At least \$10,000 in uncompensated economic loss after filing a claim to insurance company and applying to the Small Business Administration (SBA) for disaster recovery physical damage or Economic Injury Disaster Loan (EIDL)
- In existence on September 12, 2013
- Located within a disaster declared area (including Boulder County)
- In good standing to do business in Colorado with the Secretary of State
- A minimum of \$50,000 in projected annual revenue (\$25,000 for home-based businesses)
- Less than \$1 million in liquid assets
- Positively impact the economy through capital investment or the creation or retention of jobs
- Profitable before the floods occurred
- Businesses must meet the definition of small business as defined by SBA: <http://sba.gov/content/table-small-business-size-standards>
- Non-profits must have lost at least 30% of their potential revenue stream (caused by reductions in funding flows, lost inventory, damaged equipment or other loss factors)
- Additional requirements may apply

### **What if I did not apply for FEMA assistance?**

The FEMA application period has expired, but if an applicant missed the FEMA deadline, this will not be held against them for purposes of determining eligibility for the program.

### **What if I did not apply for SBA disaster assistance?**

Applicants need to apply for SBA disaster assistance in order to be eligible.

- Businesses or non-profits that have applied for and denied SBA funding may still apply for a Recover Colorado grant or loan.
- Businesses or non-profits that have not yet applied for SBA funding should do so immediately. To learn more apply for a SBA Economic Injury Disaster Loan (EIDL) visit <http://www.sba.gov/content/economic-injury-disaster-loans>

### **Are home-based businesses eligible for funding under this program?**

Home-based businesses with projected annual revenue of at least \$25,000 and meet other program requirements are eligible for funding.

### **Are real estate businesses eligible for funding under this program?**

In most cases, real estate businesses (either owners or property managers) that meet other program requirements are eligible for funding. It is important to note that the funds cannot be used to reimburse the business for building repairs, deconstruction or reconstruction. Operating expenses (insurance, utilities, etc.) can be reimbursed under the program.

Real estate businesses that receive funding directly or indirectly via the CBDG-DR housing program are not eligible for benefits under this program.

### **Are retail businesses eligible to apply for funding under this program?**

Retail property owners and retail businesses that lease property are eligible for funding as long as they meet other program requirements. There can be no duplication of payments under the program.

### **What are eligible uses for grant funds?**

The grant program is reimbursement based and requires that recipients submit receipts for post-September 12, 2013 expenses to be reimbursed.

Eligible expenses which can be reimbursed with grant funds include:

- Working capital
- Inventory
- Machinery
- Furnishings
- Equipment
- Payroll
- Insurance
- Rent
- Utilities
- Other operating expenses

*Please note: construction, building repairs, remediation or deconstruction costs are not eligible for reimbursement.*

### **What are eligible uses for loan funds?**

Eligible uses for loan funds include working capital and equipment. *Please note: construction, building repairs, remediation or deconstruction costs are not eligible uses for loan funds.*

## **APPLICATION PROCESS**

### **How can I apply for a grant or loan?**

A short online application will be available on the State of Colorado Department of Local Affairs website in April: <http://dola.colorado.gov/cdbg-dr/>. Applications will be time-stamped upon submission and funds distributed on a first come, first served basis to eligible businesses and non-profit organizations upon approval.

Once the application has been submitted, applicants will have three weeks after the close of a 45 day application period to work with a Small Business Development Center (SBDC) representative to complete the necessary paperwork. The SBDC must sign off on the application. Please visit <http://www.coloradosbdc.org/consulting/disaster-relief> for more information.

### **To apply for a grant or loan, what information will I need to provide in the application?**

#### **1. SSN /EIN**

- SSN - social security number
- EIN - federal employer identification number

#### **2. NAICS code, if applicable**

- An industry classification in which a business establishment is assigned one six-digit NAICS code, based on its primary business activity. Please visit <http://www.bls.gov/bls/naics.htm> for more information.

#### **3. DUNS number, if applicable**

- A unique nine-digit identification number for each physical location of a business
- Businesses that do not have a DUNS number can visit [www.sba.gov/content/getting-d-u-n-s-number](http://www.sba.gov/content/getting-d-u-n-s-number) for more information.

4. **Narrative description of your economic loss due to the disaster**
  - May include lost inventory, physical damage to your business premises or equipment, lost revenues, reduction in customer traffic, loss of access to business facility etc.
5. **Description of the economic benefits that will be provided from the assistance**
  - May include:
    - Benefits to low and moderate income residents
    - Positive impacts to one or more surrounding neighborhoods such as increasing the quality of life through improvements that will benefit your clients
    - The ability to
      1. Provide a viable business or non-profit
      2. Stabilize your business or non-profit
      3. Preserve or create jobs
      4. Increase in tax revenues for your city or county
      5. Maintain other income streams through the provision of goods and services or other economic activity
6. **Total remaining project cost**
7. **Name and location of the Small Business Development Center (SBDC) representative that you plan to work with**
  - To find a SBDC representative, please visit <http://www.coloradosbdc.org/consulting/disaster-relief>
8. **List of all the assistance you have applied for since the flood**
  - Sources of assistance may include:
    - FEMA
    - SBA (Small Business Administration)
    - Non-profit organizations
    - Local government
    - Insurance policies
    - Banks or other lenders
9. **In addition, you may be asked to provide:**
  - What the proceeds of the grant or loan will be used for
  - Whether any requests for assistance are still pending
  - Copies of applications for other assistance

For a complete checklist of documents and information required to apply for a grant or loan, please visit <http://dola.colorado.gov/cdbg-dr>

**What documentation do I need to bring with me when I visit my SBDC representative?**

1. Three years of the following (If your business or non-profit has been in operation for less than three years, please bring available documentation):
  - Business or non-profit financial statements (balance sheets, profit and loss statements)
  - Business tax returns
  - Personal financial statements
  - Personal tax returns
2. Number of employees and wage rates
3. Business plan, if available

*Please note: all information will remain confidential and only be used to determine program eligibility.*